

RIDGEWOOD LOCAL SCHOOL DISTRICT
GENERAL PURPOSE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 1999

RIDGEWOOD LOCAL SCHOOL DISTRICT
WEST LAFAYETTE, OHIO

TABLE OF CONTENTS

<i>TITLE</i>	<i>PAGE</i>
Independent Auditor's Report	1
Combined Balance Sheet - All Fund Types and Account Groups.....	2-3
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Fund Types and Expendable Trust Funds.....	4-5
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - (Non-GAAP Basis) Budget and Actual - All Governmental Fund Types and Expendable Trust Funds.....	6-9
Combined Statement of Revenues, Expenses, and Changes in Fund Equity - All Proprietary Fund Types.....	10
Combined Statement of Cash Flows - All Proprietary Fund Types	11
Notes to the General Purpose Financial Statements	12-31
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.....	32
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133.....	33-34
Schedule of Expenditures of Federal Awards – Non-GAAP Budgetary Awards.....	35
Schedule of Findings and Questioned Costs.....	36



STATE OF OHIO
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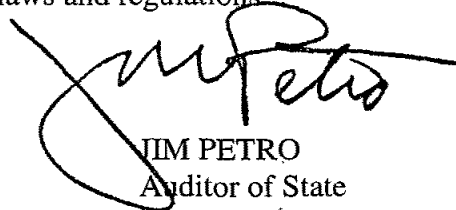
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The Board of Education
Ridgewood Local School District
West Lafayette, Ohio 43845

We have reviewed the Independent Auditor's Report of the Ridgewood Local School District, Coshocton County, prepared by Rea & Associates, Inc., for the audit period July 1, 1998 to June 30, 1999. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Ridgewood Local School District is responsible for compliance with these laws and regulations.



JIM PETRO
Auditor of State

January 7, 2000

December 6, 1999

The Board of Education
Ridgewood Local School District
West Lafayette, Ohio 43845

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying general purpose financial statements of Ridgewood Local School District as of and for the year ended June 30, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Ridgewood Local School District as of June 30, 1999, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 6, 1999 on our consideration of Ridgewood Local School District internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Rea & Associates, Inc.

Columbus
New Philadelphia
Millersburg
Coshocton
Cambridge
Marietta
Medina
Lima

RIDGEWOOD LOCAL SCHOOL DISTRICT

Combined Balance Sheet
All Fund Types and Account Groups

June 30, 1999

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Assets and Other Debits				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 2,730,450	\$ 186,156	\$ 49	\$ 1,513,659
Cash and Cash Equivalents - Restricted	95,744	0	0	0
Receivables:				
Taxes	2,087,821	0	108,340	94,569
Accounts	7,951	791	0	56,656
Interfund	62,055	0	0	0
Accrued Interest	5,516	0	0	0
Intergovernmental Receivable	0	0	0	0
Prepaid Items	76,399	5,092	0	0
Inventory	7,969	0	0	0
Fixed Assets (Net of Accumulated Depreciation)	0	0	0	0
Total Assets	5,073,905	192,039	108,389	1,664,884
Other Debits				
Amount Available in Debt Service	0	0	0	0
Fund for Retirement of General Obligation Bonds	0	0	0	0
Amount to be Provided from General Government Resources	0	0	0	0
Total Other Debits	0	0	0	0
Total Assets and Other Debits	\$ 5,073,905	\$ 192,039	\$ 108,389	\$ 1,664,884
Liabilities, Fund Equity, and Other Credits				
Liabilities				
Accounts Payable	\$ 5,480	\$ 801	\$ 0	\$ 0
Accrued Wages and Benefits	622,880	42,826	0	0
Compensated Absences Payable	9,542	5,432	0	0
Interfund Payable	0	2,900	0	57,156
Intergovernmental Payable	190,611	13,117	0	0
Deferred Revenue	1,891,080	0	98,131	85,658
Undistributed Monies	0	0	0	0
Claims Payable	0	0	0	0
Capital Lease Payable	0	0	0	0
Energy Conservation Loan Payable	0	0	0	0
Asbestos Removal Loan Payable	0	0	0	0
Bond Anticipation Notes Payable	0	0	0	1,300,000
Total Liabilities	2,719,593	65,076	98,131	1,442,814
Fund Equity and Other Credits				
Investment in General Fixed Assets	0	0	0	0
Retained Earnings:				
Unreserved	0	0	0	0
Fund Balance:				
Reserved for Encumbrances	291,827	37,188	0	178,414
Reserved for Inventory	7,969	0	0	0
Reserved for Prepaid Items	76,399	5,092	0	0
Reserved for Tax Revenue Unavailable for Appropriations	196,741	0	10,209	8,911
Reserved for Budget Stabilization	95,744	0	0	0
Unreserved:				
Undesignated	1,685,632	84,683	49	34,745
Total Fund Equity, and Other Credits	2,354,312	126,963	10,258	222,070
Total Liabilities, Fund Equity, and Other Credits	\$ 5,073,905	\$ 192,039	\$ 108,389	\$ 1,664,884

See accompanying notes to the general purpose financial statements.

Proprietary Fund Types		Fiduciary Fund Types			Totals	
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	(Memorandum Only)	
\$ 14,219	\$ 322,801	\$ 45,613	\$ 0	\$ 0	\$ 4,812,947	
0	0	0	0	0	95,744	
0	0	0	0	0	2,290,730	
180	10,141	0	0	0	75,719	
0	0	0	0	0	62,055	
56	0	0	0	0	5,572	
15,964	0	0	0	0	15,964	
2,723	15,567	0	0	0	99,781	
16,361	0	0	0	0	24,330	
16,271	0	0	6,825,510	0	6,841,781	
65,774	348,509	45,613	6,825,510	0	14,324,623	
0	0	0	0	49	49	
0	0	0	0	364,000	364,000	
0	0	0	0	545,005	545,005	
0	0	0	0	909,054	909,054	
\$ 65,774	\$ 348,509	\$ 45,613	\$ 6,825,510	\$ 909,054	\$ 15,233,677	

\$ 164	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,445	
22,921	0	0	0	0	688,627	
10,187	0	0	0	454,069	479,230	
1,600	0	399	0	0	62,055	
8,804	0	0	0	51,994	264,526	
8,879	0	0	0	0	2,083,748	
0	0	43,813	0	0	43,813	
0	135,200	0	0	0	135,200	
0	0	0	0	38,991	38,991	
0	0	0	0	357,065	357,065	
0	0	0	0	6,935	6,935	
0	0	0	0	0	1,300,000	
52,555	135,200	44,212	0	909,054	5,466,635	
0	0	0	6,825,510	0	6,825,510	
13,219	213,309	0	0	0	226,528	
0	0	345	0	0	507,774	
0	0	0	0	0	7,969	
0	0	0	0	0	81,491	
0	0	0	0	0	215,861	
0	0	0	0	0	95,744	
0	0	1,056	0	0	1,806,165	
13,219	213,309	1,401	6,825,510	0	9,767,042	
\$ 65,774	\$ 348,509	\$ 45,613	\$ 6,825,510	\$ 909,054	\$ 15,233,677	

RIDGEWOOD LOCAL SCHOOL DISTRICT

Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances
All Governmental Fund Types and Expendable Trust Funds

For the Year Ended June 30, 1999

	Governmental Fund Type			
	General	Special Revenue	Debt Service	Capital Projects
Revenues				
Taxes	\$ 2,036,279	\$ 0	\$ 108,786	\$ 91,634
Intergovernmental	5,399,840	468,657	0	415,851
Investment Income	156,104	0	0	0
Tuition and Fees	17,432	2,224	0	0
Extracurricular Activities	0	147,809	0	0
Miscellaneous	6,786	6,439	0	0
Total Revenues	7,616,441	625,129	108,786	507,485
Expenditures				
Current:				
Instruction				
Regular	3,386,236	29,209	0	150,753
Special	562,330	316,496	0	0
Vocational	342,766	0	0	0
Other	6,062	0	0	0
Support Services:				
Pupils	178,511	1,044	0	0
Instructional Staff	172,942	65,839	0	702
Board of Education	14,573	0	0	0
Administration	726,917	37,497	0	2,979
Fiscal	210,538	0	0	2,349
Operation and Maintenance of Plant	682,329	2,052	0	191,396
Pupil Transportation	624,963	1,996	0	3,987
Operation of Non-Instructional Services	0	0	0	7,690
Extracurricular Activities	106,209	146,185	0	0
Capital Outlay	8,507	1,600	0	38,890
Debt Service:				
Principal Retirement	10,990	0	80,282	0
Interest and Fiscal Charges	2,100	0	25,698	0
Total Expenditures	7,035,973	601,918	105,980	398,746
Excess of Revenues Over (Under) Expenditures	580,468	23,211	2,806	108,739
Other Financing Sources (Uses)				
Proceeds from Inception of Capital Lease	31,816	0	0	0
Proceeds from Sales of Fixed Assets	9,547	0	0	0
Insurance Proceeds	0	0	0	56,656
Total Other Financing Sources (Uses)	41,363	0	0	56,656
Excess of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	621,831	23,211	2,806	165,395
Fund Balance at Beginning Of Year	1,736,942	103,752	7,452	56,675
Increase (Decrease) in Reserve for Inventory	(4,461)	0	0	0
Fund Balance at End of Year	\$ 2,354,312	\$ 126,963	\$ 10,258	\$ 222,070

See accompanying notes to the general purpose financial statements.

Fiduciary Fund Type			
Expendable	Trust	Totals	(Memorandum Only)
\$	0	\$	2,236,699
	5,774		6,290,122
	0		156,104
	0		19,656
	0		147,809
	1,900		15,125
	<u>7,674</u>		<u>8,865,515</u>
	5,196		3,571,394
	0		878,826
	0		342,766
	0		6,062
	427		179,982
	0		239,483
	0		14,573
	0		767,393
	0		212,887
	0		875,777
	0		630,946
	0		7,690
	650		253,044
	0		48,997
	0		91,272
	0		27,798
	<u>6,273</u>		<u>8,148,890</u>
	1,401		716,625
	0		31,816
	0		9,547
	0		56,656
	<u>0</u>		<u>98,019</u>
	1,401		814,644
	0		1,904,821
	0		(4,461)
<u>\$</u>	<u>1,401</u>	<u>\$</u>	<u>2,715,004</u>

RIDGEWOOD LOCAL SCHOOL DISTRICT

Combined Statement of Revenues, Expenditures, and
 Changes in Fund Balances - Budget and Actual
 All Governmental Fund Types and Expendable Trust Funds
 (Non-GAAP Budgetary Basis)

For the Year Ended June 30, 1999

GENERAL FUND			
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$ 1,929,590	1,982,450	\$ 52,860
Intergovernmental	5,429,937	5,499,840	(30,097)
Investment Income	100,000	54,820	54,820
Tuition and Fees	13,628	17,433	3,805
Extracurricular Activities	0	0	0
Rentals	50	80	30
Charges for Services	3,500	3,953	453
Miscellaneous	9,733	10,904	1,171
Total Revenues	7,486,438	7,569,480	83,042
Expenditures			
Current:			
Instruction	4,397,423	4,324,687	72,736
Support Services:			
Pupils	187,066	177,395	9,671
Instructional Staff	191,135	182,415	8,720
Board of Education	17,027	14,573	2,454
Administration	791,491	757,764	33,727
Fiscal	243,258	233,078	10,180
Operation and Maintenance of Plant	855,126	764,231	90,895
Pupil Transportation	682,191	648,528	33,663
Operation of Non-Instructional Services	0	0	0
Extracurricular Activities	106,786	105,772	1,014
Capital Outlay	0	0	0
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
Total Expenditures	7,471,503	7,208,443	263,060
Excess of Revenues Over (Under) Expenditures	14,935	361,037	346,102
Other Financing Sources (Uses)			
Proceeds from Sale of Fixed Assets	463	463	0
Proceeds from Sale of Notes	0	0	0
Refund of Prior Year Expenditures	3,399	3,399	0
Refund of Prior Year Receipts	0	0	0
Other Financing Sources	500	933	433
Advances In	0	0	0
Advances Out	(5,505)	(5,505)	0
Operating Transfers In	7,698	7,698	0
Operating Transfers Out	0	0	0
Total Other Financing Sources (Uses)	6,555	6,988	433
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	21,490	368,025	346,535
Fund Balance at Beginning of Year	1,859,501	1,859,501	0
Prior Year Encumbrances Appropriated	301,364	301,364	0
Fund Balance at End of Year	\$ 2,182,355	\$ 2,528,890	\$ 346,535

See accompanying notes to the general purpose financial statements.

SPECIAL REVENUE FUND			DEBT SERVICE FUND		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ 0	0	\$ 0	\$ 106,029	106,029	\$ 0
470,580	468,657	(1,923)	0	0	0
0	0	0	0	0	0
1,400	1,433	33	0	0	0
147,438	150,766	3,328	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
6,439	6,439	0	0	0	0
625,857	627,295	1,438	106,029	106,029	0
438,379	337,290	101,089	0	0	0
1,092	1,044	48	0	0	0
65,606	60,997	4,609	0	0	0
0	0	0	0	0	0
39,866	36,119	3,747	0	0	0
0	0	0	0	0	0
2,809	2,809	0	0	0	0
3,262	1,613	1,649	0	0	0
0	0	0	0	0	0
189,036	161,879	27,157	0	0	0
23,660	21,085	2,575	0	0	0
0	0	0	80,282	80,282	0
0	0	0	25,747	25,747	0
763,710	622,836	140,874	106,029	106,029	0
(137,853)	1,459	142,312	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
(2,957)	(2,957)	0	0	0	0
0	0	0	0	49	49
2,100	2,900	800	0	0	0
0	0	0	0	0	0
0	36,215	36,215	0	0	0
(1)	(43,913)	(43,912)	0	0	0
(858)	(7,755)	(6,897)	0	49	49
(138,711)	(3,296)	135,415	0	49	49
126,536	126,536	0	0	0	0
24,929	24,929	0	0	0	0
\$ 12,754	\$ 148,169	\$ 135,415	\$ 0	\$ 49	\$ 49

(continued)

RIDGEWOOD LOCAL SCHOOL DISTRICT

Combined Statement of Revenues, Expenditures, and
 Changes in Fund Balances - Budget and Actual
 All Governmental Fund Types and Expendable Trust Funds
 (Non-GAAP Budgetary Basis)

For the Year Ended June 30, 1999

CAPITAL PROJECTS FUND

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$ 86,186	\$ 89,191	\$ 3,005
Intergovernmental	415,281	415,851	570
Investment Income	0	0	0
Tuition and Fees	0	0	0
Extracurricular Activities	0	0	0
Rentals	0	0	0
Charges for Services	0	0	0
Miscellaneous	57,156	0	(57,156)
Total Revenues	558,623	905,042	(53,581)
Expenditures			
Current:			
Instruction	187,781	183,529	4,252
Support Services:			
Pupils	0	0	0
Instructional Staff	3,852	3,852	0
Board of Education	0	0	0
Administration	2,979	2,979	0
Fiscal	2,600	2,348	252
Operation and Maintenance of Plant	338,099	274,099	64,000
Pupil Transportation	4,022	3,987	35
Operation of Non-Instructional Services	27,690	26,632	1,058
Extracurricular Activities	0	0	0
Capital Outlay	115,090	80,934	34,156
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
Total Expenditures	682,113	578,360	103,753
Excess of Revenues Over (Under) Expenditures	(123,490)	173,318	50,172
Other Financing Sources (Uses)			
Proceeds from Sale of Fixed Assets	0	0	0
Proceeds from Sale of Notes	1,300,000	1,300,000	0
Refund of Prior Year Expenditures	0	0	0
Refund of Prior Year Receipts	0	0	0
Other Financing Sources	0	0	0
Advances In	0	606	606
Advances Out	0	0	0
Operating Transfers In	0	0	0
Operating Transfers Out	0	0	0
Total Other Financing Sources (Uses)	1,300,000	1,300,606	606
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	1,176,510	1,227,288	50,778
Fund Balance at Beginning of Year	30,050	30,050	0
Prior Year Encumbrances Appropriated	77,908	77,908	0
Fund Balance at End of Year	\$ 1,284,468	\$ 1,335,246	\$ 50,778

See accompanying notes to the general purpose financial statements.

EXPENDABLE TRUST FUNDS			TOTALS (MEMORANDUM ONLY)		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ 0	0	\$ 0	\$ 2,121,805	2,177,670	\$ 55,865
6,173	5,774	(399)	6,321,971	6,290,122	(31,849)
0	0	0	100,000	154,820	54,820
0	0	0	15,028	18,866	3,838
0	0	0	147,438	150,766	3,328
0	0	0	50	80	30
0	0	0	3,500	3,953	453
1,900	1,900	0	75,228	19,243	(55,985)
8,073	7,674	(399)	8,785,020	8,815,520	30,500
5,196	5,196	0	5,028,779	5,350,702	178,077
427	427	0	188,585	178,866	9,719
0	0	0	260,593	247,264	13,329
0	0	0	17,027	14,573	2,454
0	0	0	834,336	796,862	37,474
0	0	0	245,858	235,426	10,432
0	0	0	1,196,034	1,041,139	154,895
0	0	0	689,475	654,128	35,347
0	0	0	27,690	26,632	1,058
2,450	995	1,455	298,272	268,646	29,626
0	0	0	138,750	102,019	36,731
0	0	0	80,282	80,282	0
0	0	0	25,747	25,747	0
8,073	6,618	1,455	9,031,428	8,522,286	509,142
0	1,056	1,056	(246,408)	293,234	539,642
0	0	0	463	453	0
0	0	0	1,300,000	1,300,000	0
0	0	0	3,399	3,399	0
0	0	0	(2,957)	(2,957)	0
0	0	0	500	982	482
0	399	399	2,100	3,905	1,805
0	0	0	(5,505)	(5,505)	0
0	0	0	7,698	43,913	36,215
0	0	0	(1)	(43,913)	(43,912)
0	399	399	1,305,697	1,300,287	(5,410)
0	1,455	1,455	1,059,289	1,593,521	534,232
0	0	0	2,016,087	2,016,087	0
0	0	0	404,201	404,201	0
\$ 0	1,455	\$ 1,455	3,479,577	4,013,809	\$ 534,232

RIDGEWOOD LOCAL SCHOOL DISTRICT

*Combined Statement of Revenues,
Expenses, and Changes in Fund Equity
All Proprietary Fund Types*

For the Year Ended June 30, 1999

	Proprietary Fund Types		
	Enterprise	Internal Service	Totals (Memorandum Only)
<u>Operating Revenues</u>			
Sales	\$ 311,049	\$ 0	\$ 311,049
Charges for Services	0	895,230	895,230
Total Operating Revenues	311,049	895,230	1,206,279
<u>Operating Expenses</u>			
Salaries	160,006	0	160,006
Fringe Benefits	77,136	162,517	239,653
Purchased Services	17,384	785,571	802,955
Materials and Supplies	195,623	0	195,623
Depreciation	2,117	0	2,117
Capital Outlay	387	0	387
Total Operating Expenses	452,653	948,088	1,400,741
Operating Loss	(141,604)	(52,858)	(194,462)
<u>Non-Operating Revenues</u>			
Operating Grants	122,733	0	122,733
Interest	1,290	0	1,290
Total Non-Operating Revenues	124,023	0	124,023
Net Loss	(17,581)	(52,858)	(70,439)
Retained Earnings/Fund Balance at Beginning of Year	30,800	266,167	296,967
Total Fund Equity at End of Year	\$ 13,219	\$ 213,309	\$ 226,528

See accompanying notes to the general purpose financial statements.

RIDGEWOOD LOCAL SCHOOL DISTRICT

Combined Statement of Cash Flows
All Proprietary Fund Types

For the Year Ended June 30, 1999

	Enterprise	Internal Service	Totals (Memorandum Only)
Cash Flows From Operating Activities			
Cash Received from Customers	\$ 315,495	\$ 885,089	\$ 1,200,584
Cash Paid for Goods and Services	(211,401)	(162,517)	(373,918)
Cash Paid to Employees	(235,528)	0	(235,528)
Cash Paid for Claims	0	(763,153)	(763,153)
Net Cash Used For Operating Activities	(131,434)	(40,581)	(172,015)
Cash Flows From Non-Capital Financing Activities			
Interest Income	1,234	0	1,234
Grants	122,733	0	122,733
Net Cash Provided By Non-Capital Activities	123,967	0	123,967
Cash Flows From Capital and Related Financing Activities			
Purchase of Property	(7,043)	0	(7,043)
Net Cash Used For Capital Activities	(7,043)	0	(7,043)
Net Decrease in Cash and Cash Equivalents	(14,510)	(40,581)	(55,091)
Cash and Cash Equivalents at Beginning of Year	28,729	363,382	392,111
Cash and Cash Equivalents at End of Year	\$ 14,219	\$ 322,801	\$ 337,020
Reconciliation of Operating Loss to Net Cash Used For Operating Activities			
Operating Loss	\$ (141,604)	\$ (52,858)	\$ (194,462)
Adjustments to Reconcile Operating Loss to Net Cash Used For Operating Activities:			
Depreciation	2,117	0	2,117
(Increase) Decrease in Assets			
Accounts Receivable	(180)	(10,141)	(10,321)
Prepaid Items	(480)	(2,095)	(2,575)
Due from Other Governments	321	0	321
Inventory	(528)	0	(528)
Increase (Decrease) in Liabilities			
Accounts Payable	64	0	64
Accrued Wages and Benefits	2,930	0	2,930
Compensated Absences	(1,316)	0	(1,316)
Inergovernmental Payable	1,337	0	1,337
Interfund Payable	1,600	0	1,600
Deferred Revenue	4,305	0	4,305
Claims Payable	0	24,513	24,513
Total Adjustments	10,170	12,277	22,447
Net Cash Used For Operating Activities	\$ (131,434)	\$ (40,581)	\$ (172,015)

RIDGEWOOD LOCAL SCHOOL DISTRICT
Notes to the Financial Statements

June 30, 1999

NOTE 1 - NATURE OF BASIC OPERATIONS AND DESCRIPTION OF THE ENTITY

The Ridgewood Local School District (the District) was established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is a local school district as defined by Section 3311.03 of the Ohio Revised Code. The District operates under an elected Board of Education, consisting of five members, and is responsible for providing public education to residents of the District. Average daily membership on, or as of, October 1, 1998, was 1,606. The District employs 112 certified and 102 non-certified employees.

The reporting entity is required to be composed of the primary government, component units and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the District. For Ridgewood Local School District, this includes general operations, food service, and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organizations' governing board and 1) the District is able to significantly influence the programs or services performed or provided by the organization; or 2) the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of or provided financial support to the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. The District has no component units.

Management believes the financial statements included in the report represent all of the funds of the District over which the District has the ability to exercise direct operating control.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) **MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND BASIS OF PRESENTATION**

The accounts of the Ridgewood Local School District are organized and operated on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds. The Ridgewood Local School District has the following fund types and account groups:

GOVERNMENTAL FUND TYPES

Governmental fund types are used to account for the District's general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e. when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means

RIDGEWOOD LOCAL SCHOOL DISTRICT
Notes to the Financial Statements

June 30, 1999

collectible within the current period or soon enough thereafter to be used to pay obligations of the current period, which is considered to be approximately sixty days. Generally property taxes, although measurable, are not available soon enough after the current period to finance current period obligations, and accordingly, property taxes receivable are reflected as deferred revenue until available. Reimbursements due for federally funded programs are recognized when the corresponding expenditures are made.

Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, since the measurement focus of governmental funds is on decreases in financial resources. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service funds for payment to be made early in the following year. Compensated absences are reported as a fund liability when payment will require the current available financial resources. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds. Governmental funds include the following fund types:

General Fund - used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - used to account for the proceeds of specific revenue sources, other than expendable trusts or major capital projects, that are legally restricted to expenditure for specified purposes.

Debt Service Fund - used to account for the accumulation of resources for the payment of interest and principal on long-term general obligation debt other than those payable from Enterprise Funds.

Capital Projects Fund - used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary or trust funds.

PROPRIETARY FUND TYPES

Proprietary fund types are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. Allocations of costs, such as depreciation, are recognized in the proprietary funds. As permitted, the board of education has elected to apply only applicable FASB Statements and Interpretations issued before November 30, 1989 in its accounting and reporting practices for its proprietary operations unless they contradict/conflict with GASB pronouncements. Proprietary funds include the following fund types:

Enterprise Funds - used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs, including depreciation where applicable, of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing

RIDGEWOOD LOCAL SCHOOL DISTRICT
Notes to the Financial Statements

June 30, 1999

body has decided that periodic determination of revenues earned, expenses incurred, and net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Internal Service Fund - used to account for the financing of goods or services provided by one department or agency to governmental units, on a cost-reimbursement basis.

FIDUCIARY FUND TYPES

Fiduciary fund types account for assets held by the government in a trustee capacity or as an agent on behalf of others. Fiduciary fund types are as follows:

Expendable Trust Fund - accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting.

Agency Fund - custodial in nature and do not present results of operations or have a measurement focus. Agency Funds are accounted for using the modified accrual basis of accounting. These funds are used to account for assets that the government holds for others in an agency capacity.

ACCOUNT GROUPS

The District maintains two account groups as described below:

General Fixed Assets Account Group - used to account for fixed assets acquired principally for general purposes other than those accounted for in proprietary or trust funds.

General Long-term Obligations Account Group - used to account for the outstanding principal balances of general obligation bonds and other long-term debt not reported in proprietary funds.

(B) *CASH AND INVESTMENTS*

To improve cash management, cash received by the School District is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through the School District's records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents" on the combined balance sheet.

During fiscal year 1999, investments were limited to STAR Ohio and repurchase agreements.

Investments are reported at fair value which is based on quoted market prices. Non-participating investment contracts such as repurchase agreements and non-negotiable certificates of deposit are reported at cost.

The District has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during fiscal year 1999. STAR Ohio is an investment pool managed by the State Treasurer's Office

RIDGEWOOD LOCAL SCHOOL DISTRICT
Notes to the Financial Statements

June 30, 1999

Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on June 30, 1999.

Interest earned on investments is credited to the respective fund, except as stipulated by state statute or Board Resolution. Interest income earned in fiscal year 1999 totaled \$157,394.

All short-term investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash and at the day of purchase, they have a maturity date no longer than three months.

(C) *RESTRICTED ASSETS*

Restricted assets in the general fund represent cash and cash equivalents set aside to establish a budget stabilization reserve. This restricted cash is required by State statute and can be used only after receiving approval from the State Department of Education. A fund balance reserve has also been established.

(D) *RECEIVABLES*

Receivables are reflected at their gross value reduced by the estimated amount that is expected to be uncollectible.

(E) *INVENTORIES AND SUPPLIES*

The costs of inventory items are recognized as expenditures when purchased in the governmental funds and recognized as expenses when used in the enterprise funds. For all funds, cost is determined on a first-in, first-out basis.

Reported inventories in the governmental fund types are equally offset by a fund balance reserve which indicates that they do not constitute available spendable resources even though they are a component of net current assets.

(F) *PREPAID EXPENSES*

The District uses the consumption method to account for prepaid expenses. Under the consumption method the prepaid items are recorded as an expenditure when used.

(G) *INTERFUND ASSETS/LIABILITIES*

Receivables and payables resulting from transactions between funds for services provided or goods received are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans are classified as "interfund receivables" and "interfund payables." Long-term interfund loans are classified as "advances to/from other funds" and are equally offset by a fund balance reserve account which indicates that they do not constitute available expendable resources since they are not a component of net current assets.

RIDGEWOOD LOCAL SCHOOL DISTRICT
Notes to the Financial Statements

June 30, 1999

(H) *FIXED ASSETS AND DEPRECIATION*

Fixed assets used in governmental fund types of the District are recorded in the general fixed assets account group at cost or estimated historical cost if purchased or constructed. Donated fixed assets are recorded at their estimated fair value at the date of donation. Assets in the general fixed assets account group are not depreciated. Interest incurred during construction is not capitalized on general fixed assets. The District does not possess any infrastructure.

Fixed assets which are used in proprietary fund type activities are capitalized in the respective funds. Fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at estimated fair market value when received, based on historical information available. Depreciation is computed using the straight-line method based on the estimated life of assets. Estimated useful lives of the various classes of depreciable assets consist of: buildings, 30 to 50 years; improvements, 30 to 50 years; equipment, including vehicles, 5 to 20 years.

(I) *LONG-TERM LIABILITIES*

Unmatured general long-term liabilities, which are related to governmental fund type operations, are reflected in the general long-term debt account group.

(J) *UNPAID COMPENSATED ABSENCES*

The entire estimated amount of unpaid compensated absences, including sick pay and vacation pay, of the proprietary type funds is reflected as a liability in the respective funds. The portion of unpaid compensated absences related to governmental fund type operations is reflected in the general long-term obligation account group.

Vacation benefits are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the termination method. The liability is based on an estimate of the amount of accumulated sick leave that will be paid as a termination benefit.

(K) *FUND EQUITY*

The unreserved fund balances for governmental funds represent the amount available for budgeting future operations. The reserved fund balances for governmental funds represent the amount that has been legally identified for specific purposes. Unreserved retained earnings for proprietary funds represent the net assets available for future operations.

(L) *TOTAL COLUMNS*

Total columns on the general purpose financial statements are captioned "Memorandum Only" because they do not represent consolidated financial information and are presented only to facilitate financial analysis. The columns do not present information that reflects financial position, results of operations or cash flows in accordance with generally accepted accounting principles. Interfund eliminations have not been made in the aggregation of this data.

RIDGEWOOD LOCAL SCHOOL DISTRICT
Notes to the Financial Statements

June 30, 1999

(M) *ESTIMATES*

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

(N) *FUND BALANCE RESERVES*

The District records reservations for portions of fund equity which are legally segregated for specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balances indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves are established for encumbrances, inventories of supplies and materials, long-term advances to other funds, contributions to the nonexpendable trust funds that must be kept intact, and House Bill 412 reserves such as textbooks and instructional materials, capital improvements, and budget stabilization. The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriations under State statute.

NOTE 3 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

(A) *BUDGETARY PROCESS*

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified.

All funds, other than agency funds, are required to be budgeted and appropriated. The primary level of budgetary control is at the object code function level within each fund. Budgetary modifications may only be made by resolution of the Board of Education.

(B) *BUDGETARY BASIS*

Tax Budget

A budget of estimated revenue and expenditures is submitted to the Coshocton County Auditor, as Secretary of the County Budget Commission, by January 20 of each year for the ensuing July 1 to June 30 fiscal year.

Estimated Resources

The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the District by March 1. As part of the certification, the District receives the official certificate of estimated resources which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in

RIDGEWOOD LOCAL SCHOOL DISTRICT
Notes to the Financial Statements

June 30, 1999

the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure. On or about July 1, the certificate of estimated resources is amended to include any unencumbered balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. Budget receipts, as shown in the accompanying "Combined Statement of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis) - All Governmental Fund Types" do not include July 1, 1999 unencumbered fund balances. However, those fund balances are available for appropriations.

Appropriations

A temporary appropriations measure to control expenditures may be passed on or about July 1 of each year for the period July 1 to September 30. An annual appropriation resolution must be passed by October 1 of each year for the period July 1 to June 30. The appropriation resolution fixes spending authority at the fund, function level and may be amended during the year as new information becomes available provided that total fund appropriations do not exceed current estimated resources, as certified.

The allocation of appropriations among functions within a fund may be modified during the year by a resolution of the Board of Education. Several supplemental appropriation resolutions were legally enacted by the Board of Education during the year. The budget figures, as shown in the accompanying "Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis) - All Governmental Fund Types" represent the final appropriation amounts including all amendments and modifications.

At the close of each year, the unencumbered balance of each appropriation reverts to the respective funds from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and need not be reappropriated.

Encumbrances

As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the Non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. The Ohio Revised Code prohibits expenditures plus encumbrances from exceeding appropriations. On the GAAP basis, encumbrances outstanding at year-end for governmental funds are reported as reservations of fund balance for subsequent-year expenditures.

RIDGEWOOD LOCAL SCHOOL DISTRICT
Notes to the Financial Statements

June 30, 1999

Budgetary Reporting

While reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP basis), the budgetary basis, as provided by law, is based upon accounting for transactions on a basis of cash receipts, disbursements, and encumbrances. Accordingly, the "Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis) - All Governmental Fund Types" is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget and to demonstrate compliance with state statute. The major differences between the budget basis and the modified accrual basis of generally accepted accounting principles (GAAP Basis) are that:

- 1.) Revenues are recorded when received (budget basis) rather than when susceptible to accrual (GAAP basis).
- 2.) Expenditures are recorded when paid or encumbered (budget basis) rather than when the liability is incurred (GAAP basis).
- 3.) The district repays debt from the debt service fund (budget non-GAAP basis) as opposed to the fund that received the proceeds (GAAP basis). Debt service fund resources used to pay both principal and interest have been allocated accordingly

The adjustments necessary to convert the results of operations for the year from the budget basis to the GAAP basis for the governmental funds follow:

Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)
Reconciliation of Budget Basis to GAAP Basis

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Expendable Trust Fund
Budget Basis	\$ 368,025	\$ (3,296)	\$ 49	\$ 1,227,288	\$ 1,455
Adjustments, increase (decrease)					
Revenue accruals	55,113	(2,166)	2,708	(1,241,507)	(399)
Expenditures accruals	(93,134)	(8,515)	49	1,200	0
Encumbrances	291,827	37,188	0	178,414	345
GAAP basis, as reported	<u>\$ 621,831</u>	<u>\$ 23,211</u>	<u>\$ 2,806</u>	<u>\$ 165,395</u>	<u>\$ 1,401</u>

RIDGEWOOD LOCAL SCHOOL DISTRICT
Notes to the Financial Statements

June 30, 1999

NOTE 4 - DEPOSITS AND INVESTMENTS

The Ridgewood Local School District maintains a cash and investment pool used by various funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "Equity in Pooled Cash and Equivalents."

(A) **LEGAL REQUIREMENTS**

State statutes classify monies held by the District into three categories:

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the District Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Board of Education has identified as not required for use within the current two year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Protection of School District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Interim monies can be deposited or invested in the following securities:

- 1) United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal and interest by the United States;
- 2) Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- 3) Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement exceeds the principal value of the

RIDGEWOOD LOCAL SCHOOL DISTRICT
Notes to the Financial Statements

June 30, 1999

agreement by at least two percent and be market to market daily with the term of the agreement not exceeding thirty days;

- 4) Bonds and other obligations of the State of Ohio;
- 5) No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
- 6) The State Treasurer's investment pool (STAR Ohio);
- 7) Certain bankers' acceptance and commercial paper notes for a period not to exceed one hundred and eighty days in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and
- 8) Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of Ridgewood Local School District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specific dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

The following information classifies deposits and investments by categories of risk as defined in GASB Statement 3, "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements."

(B) *DEPOSITS*

At year-end, the carrying amount of the Ridgewood Local School District deposits was \$(45,110) and the bank balance was \$80,177, all of which was covered by federal depository insurance, by collateral held by the Ridgewood Local School District, or by collateral held by a qualified third party trustee in the name of Ridgewood Local School District.

(C) *INVESTMENTS*

The District's investments are categorized below to give an indication of the level of risk assumed by the District at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the School District or its agent in the District's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the District's name. Category 3 includes uninsured

RIDGEWOOD LOCAL SCHOOL DISTRICT
Notes to the Financial Statements

June 30, 1999

and unregistered investments for which the securities are held by the counterparty or by its trust department or agent but not in the District's name.

Statutory provisions require that all securities acquired by the District be held by the District treasurer or deposited with a qualified trustee. Securities acquired under a repurchase agreement must be deposited with such a trustee unless the counterpart is a designated depository of the District for the current period of designation of depositories, in which case the securities may be held in trust by the depository.

	Category			Carrying Value	Fair Value
	1	2	3		
Repurchase Agreement	\$ 0	\$ 0	\$ 2,190,582	\$ 2,190,582	\$ 2,190,582
Certificates of Deposit				1,300,000	1,300,000
Investment in State Treasurers' Investment Pool				1,463,219	1,463,219
Total Investments				<u>\$ 4,953,801</u>	<u>\$ 4,953,801</u>

NOTE 5 - FIXED ASSETS AND ACCUMULATED DEPRECIATION

(A) **GENERAL FIXED ASSETS ACCOUNT GROUP**

The changes in general fixed assets during the year consisted of:

	Balance July 1, 1998	Additions	Disposals	Reclassifications	Balance June 30, 1999
Land and Improvements	\$ 107,195	\$ 0	\$ 0	\$ 0	\$ 107,195
Buildings	3,207,347	344,181	0	45,337	3,596,865
Furniture and Equipment	1,892,068	210,188	39,331	0	2,062,925
Vehicles	929,703	128,822	0	0	1,058,525
Construction in progress	45,337	0	0	(45,337)	0
	<u>\$ 6,181,650</u>	<u>\$ 683,191</u>	<u>\$ 39,331</u>	<u>\$ 0</u>	<u>\$ 6,825,510</u>

The district received a donation of a building that had an estimated fair value of \$202,000. The estimated fair value has been recorded as an addition in the General Fixed Asset Account Group.

RIDGEWOOD LOCAL SCHOOL DISTRICT
Notes to the Financial Statements

June 30, 1999

(B) *PROPRIETARY FUND TYPE FIXED ASSETS*

Proprietary fund type fixed assets and accumulated depreciation at year-end consisted of:

Enterprise	Balance June 30, 1999
Equipment	\$ 159,777
Less accumulated depreciation	<u>143,506</u>
Net fixed assets	<u>\$ 16,271</u>

NOTE 6 - DEBT OBLIGATIONS

	Outstanding July 1, 1998	Additions	Reductions	Outstanding June 30, 1999
Bond Anticipation Notes 4.15% due 4/15/2000	\$ 0	\$ 1,300,000	\$ 0	\$ 1,300,000
Federal Asbestos Loan at 0%	11,935	0	5,000	6,935
Energy Conservation Loan at 6.1%	432,347	0	75,282	357,065
Capital lease payable	23,559	31,816	16,384	38,991
Accrued vacations	24,899	8,294	24,899	8,294
Accrued sick leave benefits	<u>367,031</u>	<u>445,775</u>	<u>367,031</u>	<u>445,775</u>
	391,930	454,069	391,930	454,069
Accrued SERS/STRS	43,120	51,994	43,120	51,994
SERS Surcharge	<u>11,634</u>	<u>0</u>	<u>11,634</u>	<u>0</u>
	54,754	51,994	54,754	51,994
	<u>\$ 914,525</u>	<u>\$ 1,837,879</u>	<u>\$ 543,350</u>	<u>\$ 2,209,054</u>

The Ridgewood Local School District is obligated under two equipment leases accounted for as capital leases. The leased assets and related obligations are accounted for in the General Fixed Asset Account Groups and the General Long-Term Debt Obligation Account Groups, respectively. The assets under capital lease totaled \$53,339 at June 30, 1999. The leases are in effect through fiscal year 2004.

RIDGEWOOD LOCAL SCHOOL DISTRICT
Notes to the Financial Statements

June 30, 1999

The following is a schedule of future minimum lease payments under capital lease together with the net present value of the minimum lease payments as of June 30, 1999.

<u>June 30,</u>	<u>Year Ending Amount</u>
2000	\$ 12,670
2001	12,670
2002	8,005
2003	7,577
2004	<u>5,052</u>
Total minimum lease payment	45,974
Less: Amount representing interest	<u>6,983</u>
Net present value of minimum lease payments	<u>\$ 38,991</u>

General obligation bonds are direct obligations of the District for which its full faith, credit, and resources are pledged and are payable from taxes levied on all taxable property in the District.

The annual requirement to amortize all bonded debt outstanding as of June 30, 1999 including interest payments of \$92,515 is as follows:

Year Ending June 30	<u>General Obligation Bonds</u>
2000	\$ 1,450,963
2001	102,964
2002	101,029
2003	<u>101,559</u>
Total	<u>\$ 1,756,515</u>

NOTE 7 - PROPERTY TAXES

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the District. The Coshocton, Guernsey, and Tuscarawas County Auditors are responsible for assessing and remitting these property taxes to the District.

Real property taxes are based on assessed value equal to thirty-five percent of appraisal value. The Auditors reappraise real property every six years with a triennial update. The last update for Coshocton and Guernsey Counties was completed in 1997 and Tuscarawas County was completed in 1998. Real

RIDGEWOOD LOCAL SCHOOL DISTRICT
Notes to the Financial Statements

June 30, 1999

property tax, which becomes a lien on the applicable real property, becomes due annually on December 31. However, in Coshocton, Guernsey, and Tuscarawas County, real property taxes are billed semi-annually, one year in arrears. The tax rate applied to real property collected in 1998 before certain homestead and rollback reductions, which reductions are reimbursed to the District by the State of Ohio, amounted to \$40.60 per \$1,000 of valuation in each county. The effective rate applied after adjustment for inflationary increases in property values was \$25.87 per \$1,000 of assessed valuation for residential and agricultural real property and the effective rate applied after adjustment for inflationary increases in property values was \$23.57 per \$1,000 of assessed valuation for Other Real Property in each county.

Tangible personal property used in business is required to be reported by its owners by April 30 of each year. The property is assessed for tax purposes at varying statutory percentages of cost. The tax rate applied to tangible personal property for the current year ended December 31, 1998 was \$40.60 per \$1,000 of valuation.

The property valuation in each county consisted of:

	Coshocton <u>County</u>	Gurnsey <u>County</u>	Tuscarawas <u>County</u>
Real Property			
Valuation Year - 1998			
Residential/Agricultural	\$ 59,948,810	\$ 1,080,240	\$ 1,096,640
Commercial/Industrial	10,143,300	331,550	13,460
Public Utilities	244,140	0	0
Minerals	791,330	39,800	0
Tangible Personal Property			
Valuation Year - 1999			
General	3,761,157	6,900	10,540
Public Utilities	<u>6,787,740</u>	<u>477,610</u>	<u>125,680</u>
Total Valuation	<u><u>\$ 81,676,477</u></u>	<u><u>\$ 1,936,100</u></u>	<u><u>\$ 1,246,320</u></u>

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property, and public utility taxes which became measurable at June 30, 1999. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current year operations. The receivable is, therefore, offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30 is recognized as revenue. The amounts available to the District as advances at June 30, 1999, were as follows:

RIDGEWOOD LOCAL SCHOOL DISTRICT
Notes to the Financial Statements

June 30, 1999

County	Advance Amount
Coshocton County	\$ 178,625
Gurnsey County	21,879
Tuscarawas County	<u>15,357</u>
Total Advances	\$ <u>215,861</u>

NOTE 8 - PENSION PLANS

(A) *SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS)*

The Ridgewood Local School District contributes to the School Employees Retirement System of Ohio (SERS), a cost sharing multiple-employer public employee retirement defined benefit pension plan. SERS provides retirement, annual cost-of-living adjustments, disability, survivor and health care benefits. SERS issues a publicly available financial report that includes financial statements and required supplementary information for SERS. The report may be obtained by writing to the School Employees Retirement System, 45 North Fourth Street, Columbus, Ohio 43215-3634.

Plan members are required to contribute 9% of their annual covered salary and Ridgewood Local School District is required to contribute at an actuarially determine rate. The current rate is 14% of annual covered payroll. The contribution requirement of plan members and Ridgewood Local School District are established by and may be amended by the SERS Board of Trustees. The School District's contributions to SERS for the years ending June 30, 1999, 1998, and 1997 were \$159,642, \$142,513, and \$140,244, respectively; 49.46 percent has been contributed for fiscal year 1998 and 100 percent for fiscal year 1998 and 1997. The amount representing the unpaid contribution for fiscal year 1999, \$80,676 is recorded as a liability within the respective funds and the general long-term obligations account group.

(B) *STATE TEACHERS RETIREMENT SYSTEM (STRS)*

The Ridgewood Local School District contributes to the State Teachers Retirement System of Ohio (STRS), a cost sharing multiple-employer public employee retirement defined benefit pension plan operated by the State of Ohio. STRS provides retirement, annual cost-of-living adjustments, disability, survivor, and health care benefits. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available financial report that includes general purpose financial statements and required supplementary information for STRS. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771, or by calling (614) 227-4090.

Plan members are required to contribute 9.3% of their annual covered salary and Ridgewood Local School District is required to contribute at an actuarially determine rate. The current rate is 14% of annual covered payroll. The contribution requirement of plan members and Ridgewood Local School District are established by and may be amended by the STRS Board of

RIDGEWOOD LOCAL SCHOOL DISTRICT
Notes to the Financial Statements

June 30, 1999

Trustees. The School District's contributions to STRS for the years ending June 30, 1999, 1998, and 1997 were \$535,164, \$480,748, and, \$486,912, respectively; 82.79 percent has been contributed for fiscal year 1998 and 100 percent for fiscal year 1997 and 1996. The amount representing the unpaid contribution for fiscal year 1999, \$92,100 is recorded as a liability within the respective funds.

NOTE 9 - POSTEMPLOYMENT BENEFITS

The District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement Systems (STRS), and to retired non-certified employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs, and reimbursement of monthly medicare premiums. Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by State statute. Both systems are funded on a pay-as-you-go basis.

For STRS, all benefit recipients are required to pay a portion of the health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate; currently 14 percent of covered payroll. The Board currently allocates employer contributions equal to two percent of covered payroll to the Health Care Reserve Fund for which payments for health care benefits are paid. For the District, this amount equaled \$76,452 during the 1999 fiscal year. For the fiscal year ended June 30, 1998, the most current information available, the net health care costs paid by STRS were \$219,224,000 statewide.

For SERS, coverage is made available to service retirees with ten years or more fiscal years of qualifying service credit, disability, and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75 percent of the premium.

For this fiscal year, employer contributions to fund health care benefits were 4.98% percent of covered payroll. In additions, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For the fiscal year 1998, the minimum pay was established at \$12,400. For the District the amount to fund healthcare benefits, including surcharge equaled \$56,785 during the 1999 fiscal year. The number of participants currently receiving health care benefits statewide is 50,000. For the fiscal year ended June 30, 1998, the most current information available, net health care costs by School Employees Retirement system were \$111,900,575 statewide.

RIDGEWOOD LOCAL SCHOOL DISTRICT
Notes to the Financial Statements

June 30, 1999

NOTE 10 - SEGMENT INFORMATION - ENTERPRISE FUNDS

The District maintains enterprise funds to account for the operation of school food service and uniform school supplies. Segment information related to these follows:

	Food Services	Uniform Supplies	Total
Operating revenues	\$ 274,182	\$ 36,867	\$ 311,049
Operating expenses			
Salaries and wages	160,006	0	160,006
Fringe benefits	77,136	0	77,136
Purchased services	17,384	0	17,384
Materials and supplies	154,558	41,065	195,623
Capital Outlay	387	0	387
Depreciation	2,117	0	2,117
Total operating expenses	411,588	41,065	452,653
Operating loss	(137,406)	(4,198)	(141,604)
Non-operating revenues, net	124,023	0	124,023
Net loss	\$ (13,383)	\$ (4,198)	\$ (17,581)
Other information			
Net working capital	\$ (2,536)	\$ (516)	\$ (3,052)
Fixed assets, net	\$ 16,271	\$ 0	\$ 16,271
Total assets	\$ 64,526	\$ 1,248	\$ 65,774
Total equity	\$ 13,735	\$ (516)	\$ 13,219

RIDGEWOOD LOCAL SCHOOL DISTRICT
Notes to the Financial Statements

June 30, 1999

NOTE 11 - JOINTLY GOVERNED ORGANIZATIONS

The OME-RESA is a jointly governed organization comprised of 49 school districts. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions for member districts. Each of the governments of these districts supports OME-RESA based upon a per pupil charge dependent upon the software package utilized. The OME-RESA assembly consists of a superintendent or designated representative from each participating district and a representative from the fiscal agent. OME-RESA is governed by a board of directors chosen from the general membership of the OME-RESA assembly. The board of directors consists of a representative from the fiscal agent, the chairman of each operating committee, and at least one assembly member from each county from which participating districts are located. Financial information can be obtained by contacting the Jefferson County Educational Service Center, which serves as fiscal agent, located at Steubenville, Ohio. During the year ended June 30, 1999, the District paid approximately \$28,360 to OME-RESA for basic service charges.

NOTE 12 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors, and omissions, injuries to employees and natural disasters. The District has a comprehensive property and casualty policy, with Nationwide Insurance Company. The deductible is \$500 per incident on property and \$500 per incident on equipment. All vehicles are also insured with Nationwide Insurance Company and have a \$500 deductible. All board members, administrators, and employees are covered under a school district liability policy with Nationwide Insurance Company. The limits of this coverage are \$1,000,000 per occurrence and \$5,000,000 per aggregate. The board president and superintendent have a \$20,000 position bond with Nationwide Insurance Company.

The treasurer is covered under a surety bond in the amount of \$50,000. This bond is provided by the Nationwide Insurance Company.

The District pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. The District is a member of the Ohio School Board Association Group Rating System. This rate is calculated based on accident history and administrative costs. The group presently consists of over 400 school districts.

NOTE 13 - OTHER MATTERS

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the State's legislature to design a plan to remedy the perceived defects in that system. Declared unconstitutional was the State's "school foundation program", which provides significant amounts of monetary support to the District. During the fiscal year ended June 30, 1999, the District received \$4,278,591 of school foundation support for its general fund.

RIDGEWOOD LOCAL SCHOOL DISTRICT
Notes to the Financial Statements

June 30, 1999

Since the Supreme Court ruling, numerous pieces of legislation have been passed by the State legislature in an attempt to address the issues identified by the court. The Court of Common Pleas in Perry County has reviewed the new laws, and, in a decision issued on February 26, 1999, determined they are not sufficiently responsive to the constitutional issue raised under the "thorough and efficient" clause of the Ohio Constitution. The State has appealed the decision made by the Court of Common Pleas to the Ohio Supreme Court. As of September 17, 1999, the Ohio Supreme Court has not rendered an opinion on this issue. The decision of the Court of Common Pleas in Perry County has been stayed by the Ohio Supreme Court, and as such, school districts are still operating under the laws that the Common Pleas Court declared unconstitutional.

As of the date of these financial statements, the School District is unable to determine what effect, if any, this ongoing litigation will have on its future state funding under this program and on its financial operations.

NOTE 14 – STATUTORY RESERVES

Substitute House Bill 412, as amended, required the District to "set aside" certain percentages of defined revenues for (1) textbook and instructional materials purchases, (2) capital and maintenance expenditures, and (3) to establish a budget reserve. It also required five year budget projections, amended the fiscal watch and fiscal emergency statutes, created a state school district solvency fund, and amended "spending reserve" provisions. During the fiscal year June 30, 1999, the reserve activity (GAAP-basis) was as follows:

	Textbook Reserve	Capital Maintenance Reserve	Budget Stabilization Reserve	Total
Balance 7/1/98	\$ 0	\$ 0	\$ 40,967	\$ 40,967
Required Set-Aside	109,555	109,555	54,777	273,887
Additional Set-Aside	0	0	0	0
Qualifying Expenditures	(87,230)	(9,479)	0	(96,709)
Offset Credits	(22,325)	(100,076)	0	(122,401)
Total	\$ 0	\$ 0	\$ 95,744	\$ 95,744
Cash Balance Carried Forward FY 1999	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 95,744</u>	
Amount Restricted for Set-Asides				<u>\$ 95,744</u>

RIDGEWOOD LOCAL SCHOOL DISTRICT
Notes to the Financial Statements

June 30, 1999

NOTE 15 – YEAR 2000 ISSUE

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other equipment that may adversely affect the government's operations as early as fiscal 1999.

The District uses the State of Ohio Uniform School Accounting System software for its financial reporting, and the State of Ohio Uniform Staff Payroll System software for its payroll and employee benefits. The State is responsible for remediating these systems.

The State of Ohio distributes a substantial sum of money to the District in the form of "Foundation" and federal and state grant payments. Further, the State processes a significant amount of financial and non-financial information about the district through EMIS. The State is responsible for remediating these systems.

Because of the unprecedented nature of Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the District is or will be Year 2000 ready, that the District remediation efforts will be successful in whole or in part, or that parties with whom the District does business will be Year 2000 ready.

December 6, 1999

The Board of Education
Ridgewood Local School District
West Lafayette, Ohio 43845

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

We have audited the general purpose financial statements of Ridgewood Local School District as of and for the year ended June 30, 1999, and have issued our report thereon dated December 6, 1999. We have conducted our audit in accordance with generally accepted auditing standards and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Ridgewood Local School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of Ridgewood Local School District in a separate letter dated December 6, 1999.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Ridgewood Local School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of Ridgewood Local School District in a separate letter dated December 6, 1999.

This report is intended for the information of the Board of Education, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Rea & Associates, Inc.

Columbus
New Philadelphia
Millersburg
Coshocton
Cambridge
Marietta
Medina
Lima

December 6, 1999

The Board of Education
Ridgewood Local School District
West Lafayette, Ohio 43845

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM
AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Compliance

We have audited the compliance of Ridgewood Local School District with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 1999. Ridgewood Local School District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Ridgewood Local School District's management. Our responsibility is to express an opinion on Ridgewood Local School District's compliance based on our audit.

We conducted our audit of compliance with those requirements in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circulars A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Ridgewood Local School District's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Ridgewood Local School District's compliance with those requirements.

In our opinion, Ridgewood Local School District complied, in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1999.

Internal Control Over Compliance

The management of Ridgewood Local School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Ridgewood Local School District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards - Non GAAP Budgetary Basis

We have audited the general purpose financial statements of Ridgewood Local School District as of and for the year ended June 30, 1999, and have issued our report thereon dated December 6, 1999. Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general purpose financial statements of Ridgewood Local School District. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

This report is intended for the information of the Board of Education, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Rea & Associates, Inc.

RIDGEWOOD LOCAL SCHOOL DISTRICT

SCHEDULE OF FEDERAL AWARDS EXPENDITURES - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 1999

Federal Grantor/ Pass Through Grantor/ Program Title	CFDA Number	Grant Number	Federal Receipts	Federal Disbursements	Non-Cash Disbursements
US Department of Agriculture (Passed Through Ohio Department of Education)					
Nutrition Cluster					
Food Distribution Program - Non-Cash	10.550	N/A	\$ 51,082	\$ 0	\$ 46,777
National School Lunch Program	10.555	N/A	115,910	115,910	0
Total Department of Agriculture - Nutrition Cluster			166,992	115,910	46,777
US Department of Education Passed Through Ohio Department of Education):					
Title I	84.010	046474-C1-S1-98	19,763	73,403	0
	84.010	046474-C1-S1-98C	0	32,249	0
	84.010	046474-C1-S1-99	271,947	164,807	0
Total Title I			291,710	270,459	0
Chapter II	84.298	046474-C2-S1-97C	0	0	0
	84.298	046474-C2-S1-98	0	2,750	0
	84.298	046474-C2-S1-98C	0	1,721	0
	84.298	046474-C2-S1-99	5,862	5,301	0
Total Chapter II			5,862	9,772	0
Special Education Cluster:					
Title VI-B	84.027	6B-SF-96P	0	0	0
	84.027	6B-SF-98P	0	2,839	0
	84.027	6B-SF-99P	73,932	67,286	0
Preschool Incentive	84.173	046474-PG-S1-99P	10,647	10,647	0
Total Special Education Cluster			84,579	80,772	0
Eisenhower Math & Science	84.281	046474-G2-S1-97C	0	464	0
	84.281	046474-G2-S1-98	0	1,528	0
	84.281	046474-G2-S1-98C	0	1,943	0
	84.281	046474-G2-S1-99	8,187	4,547	0
Total Eisenhower Math & Science			8,187	8,482	0
Goals 2000	84.276	046474-G2-S1-97C	0	7,304	0
Total Goals 2000			0	7,304	0
Total Department of Education			390,338	376,789	0
U.S. Department of Labor Passed Through Ohio Department of Education):					
School to Work	17.240	1998FED-98-810002	0	0	0
School to Work	17.240	1999FED-99-810002	5,000	3,505	0
School to Work - CIP	17.249	1998CFED-98-810002	4,500	145	0
Total Department of Labor			9,500	3,650	0
U.S. Environmental Protection Agency Loan	Loan	N/A	0	5,000	0
Total Federal Assistance			\$ 586,830	\$ 501,349	\$ 46,777

**RIDGEWOOD LOCAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 , SECTION .505
JUNE 30, 1999**

1. SUMMARY OF AUDITOR'S RESULTS

(d) (1) (i)	Type of Financial Statement Opinion	Unqualified
(d) (1) (ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d) (1) (iii)	Was there any reported material non- compliance at the financial statement level (GAGAS)?	No
(d) (1) (iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d) (1) (iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d) (1) (v)	Type of Major Programs' Compliance Opinion	Unqualified
(d) (1) (vi)	Are there any reportable findings under Section .510?	No
(d) (1) (vii)	Major Programs (list):	Title I, CFDA #84.010
(d) (1) (viii)	Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: All others
(d) (1) (ix)	Low Risk Auditee?	Yes

2. FINDINGS RELATING TO THE FINANCIAL STATEMENTS

None noted

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None noted



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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P.O. Box 1140
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800-282-0370
Facsimile 614-466-4490

RIDGEWOOD LOCAL SCHOOL DISTRICT
COSHOCKTON COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

By: _____

Susan Babbitt

Clerk of the Bureau

Date: _____

JAN 18 2000